



News Release

FOR IMMEDIATE RELEASE
Thursday, June 1, 2006

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Medicare Posts Hospital Payment Information

Important Step Toward Transparency in Health Care Costs and Quality

To help consumers, providers, and payers make more informed health care decisions, the Department of Health and Human Services through its Centers for Medicare & Medicaid Services (CMS) today posted information on what Medicare pays for 30 common elective procedures and other hospital admissions. President Bush directed the data be made publicly available to all Americans as part of the Administration's commitment to make health care more affordable and accessible.

"Once people gain better information, they become better consumers of health care and that helps get health care costs down and quality of care up," HHS Secretary Mike Leavitt said. "The federal government is the biggest single purchaser of health care in America, and by taking steps to post prices and quality data, we hope to encourage more insurance companies, hospitals, clinics and doctors to do the same."

The new information posted by CMS at http://www.cms.hhs.gov/HealthCareConInit/01_Overview.asp#TopOfPage shows the range of payments by county and the number of cases treated at each hospital for a variety of treatments provided to seniors and people with disabilities in fiscal year 2005. These include 30 common elective procedures including heart operations and implanting cardiac defibrillators, hip and knee replacements, kidney and urinary tract operations, gallbladder operations and back and neck operations, and for common non-surgical admissions.

"The new information on how many patients a hospital treats and on payments for the most common kinds of hospital care adds to the information that people can use to make better decisions on their care," said CMS Administrator Mark B. McClellan, M.D., Ph.D. "In all areas of care -- hospitals, physicians, nursing homes, health plans, and prescription drugs -- we are supporting collaborative efforts that are providing unprecedented

information to help people get the best quality care for the best price.”

The department is working closely with a number of national and local organizations to develop more comprehensive and personalized information on quality and cost. One major initiative involves six pilot projects supported by the Ambulatory Care Quality Alliance, with funding from CMS and the Agency for Healthcare Research and Quality (AHRQ), to provide information to patients and health care providers via collaboratives in Massachusetts, Indiana, Minnesota, Wisconsin, Arizona and California.

Another example is the quality measures on hospitals across the nation currently being reported to the public at www.HospitalCompare.hhs.gov, supported by the Hospital Quality Alliance (AQA). In addition to the 17 clinical quality measures available now, the hospital information will be expanded to include information on patient satisfaction and outcomes in the coming year. These and other quality alliances are taking further steps to increase the range of useful measures being reported to consumers, including measures of care efficiency as well as cost information, and to develop quality measures for continuity of care with the AQA and other partners.

“The steps we are taking to provide patients better information is part of a long-range vision that can transform our health care system and put value and quality at the center,” said AHRQ Director Carolyn M. Clancy, M.D.

In addition to the information posted today, CMS will post payment information for common elective procedures for ambulatory surgery centers later this summer, and common hospital outpatient and physician services this fall.

“People need to know how much their health care costs. They need to know the quality of the care they receive. And they need to have a reason to care,” Secretary Leavitt said. “Right now, none of these things exist in our health care system, but today we are taking an important step toward transparency.

“As we give consumers better information on how their health care dollars are spent, they will demand more value for their money, and the result will be better treatment at lower costs.”

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Note: All HHS press releases, fact sheets and other press materials are available at <http://www.hhs.gov/news>.

Last revised: June 1, 2006

U.S. Department of Health & Human Services · 200 Independence Avenue, S.W. · Washington, D.C. 20201